

August 30, 2007

Mr. Les Boles, Director
Office of State Budget
1201 Main Street, Suite 950
Columbia, SC 29201

Dear Mr. Boles:

Enclosed please find ten printed copies and two electronic file containing all sections of the FY 2008 - 09 Budget Plans for the South Carolina Forestry Commission. We are not requesting any capital funds, FTEs or proviso changes with this budget plan.

The Forestry Commission supports an industry that contributes 14.7 billion dollars annually to the state's economy. Forest products are the number one cash crop to landowners. It is essential that the agency be adequately funded, staffed and equipped to provide forest landowners and rural residents of this state with wildfire protection as well as the technical support to protect their investments in the forest resource.

Budget reductions in the early part of this decade significantly affected the agency's equipment replacement budget. The legislature appropriated funds in the mid 1990's to put the agency on a 15 year replacement cycle for wildland firefighting equipment. With decreasing appropriations and inflationary factors, this replacement cycle has nearly doubled. Aging and unreliable equipment is putting firefighter safety as well as landowner's property at considerable risk.

Over the past decade forest industry has completely eliminated its firefighting capability; new landowners depend solely on the Forestry Commission for forest fire protection and prevention. The loss of these industry resources and the increasing difficulty the agency is experiencing in hiring qualified firefighters leaves us in an unacceptable position. A total of \$4,650,000 is needed to reinstate the agency's 15 year replacement cycle for wildland firefighting equipment and to transition to a firefighter staffing system and pay scale that is adequate to meet today's and future demands.

As I stated with last year's budget request, we have not completed the Cost Savings Addendum. Because of the staffing problems mentioned, all other program activities in the agency provide needed support to the firefighting workforce during periods of high fire danger. With the agency's firefighting workforce understaffed, ill equipped and dependent on these other programs, I again feel I would be derelict in my responsibilities to propose additional cuts or rank activities at this time.

Sincerely,

Bob Schowalter
State Forester

**FISCAL YEAR 2008-09
BUDGET PLAN**

I. EXECUTIVE SUMMARY

- A. Agency Section/Code/Name: Section 33/P12/FORESTRY COMMISSION
- B. Statewide Mission: The South Carolina Forestry Commission's mission is to protect, promote, enhance, and nurture the forestlands of South Carolina, and educate the public about forestry issues, in a manner consistent with achieving the greatest good for its citizens. The Forestry Commission works to protect the state's natural beauty while producing a healthy, secure environment for life, work, and recreation.
- C. Summary Description of Strategic or Long-Term Goals:
- (1) **Enhance the Resource** – Work to promote, develop and expand the forest resource and forestry-related industry in South Carolina. Improve contacts and communication with state and local levels of government concerning forestry-related issues. Provide policy makers, industry, and environmental groups accurate and timely information on the state's forest inventory and health. (SCFC Accountability Report, Section I, #3 & 4; Section III, Graphs 7.1-1 & 7.1-2)
 - (2) **Protect the Resource** – Evaluate fire protection strategies and priorities as urban development into forested areas creates additional hazards; update computer aided dispatch equipment and software. Continue law enforcement services in wildfire and forest product theft and fraud arenas. Re-evaluate programs to ensure prompt response to insect and disease outbreaks and concerns. Evaluate programs to ensure protection of environmental functions, including air and water quality. Increase contractor recognition of, and compliance with, forest Best Management Practices. Budget Priority #1 will provide recurring funds for supporting the replacement of forest fire suppression equipment on a 15 year basis. (SCFC Accountability Report, Section I, #3& 4; Section II, Protect the Resource; Section III, Graphs 7.1-3 – 7.1-8) Budget Priority #2 will provide transition to stationing the firefighting workforce at Commission facilities; because of declining rural economies, demographic changes and shifting workforce demands, it has become increasingly difficult to fill firefighter vacancies.
Manage the Resource – Provide improved land management services to landowners by being more responsive to the needs of our customers. Administer federal and state cost-share reforestation programs and provide technical forest management assistance designed to meet landowners' goals. Provide technical assistance and financial grants in community forestry to local governments, non-profit organizations, other agencies, and individuals. Use landholdings to demonstrate innovative forest management techniques as well as for in-house training, applied research and global climate change and carbon sequestration issues. Provide landowners with optimum quality forest tree seedlings to meet needs not filled by the private sector. (SCFC Accountability Report, Section I, #3&4; Section II, Manage the Resource; Section III, Forest Management, State Forests, & Seedling Production; Section III, Graphs 7.2-1 – 7.2-3.)
 - (3) **Raise the Awareness** – Develop and promote forestry education programs for all audiences. The SCFC will strengthen its image as an initial source for forest management assistance in South Carolina. Utilize current and available media to reach targeted audiences with relevant forestry information. Significantly increase interaction, cooperation and communication with other state agencies, local

(4) **Prepare to Meet Future Demands** – Strive to maintain a capable, satisfied and diverse work team. Develop internal training programs to prepare employees to utilize emerging technologies as a means to improve customer services. Review staffing levels and organizational structure to ensure the agency is in a position to supply needed services. Develop internal training programs for agency personnel to efficiently, safely and professionally provide better land management services. Establish goals and implement plans to reduce the number of job-related injuries. Establish goals and implement vehicle and equipment operation safety training to reduce the number of accidents. Budget Priority #2 will transition to stationing the firefighting workforce at agency facilities and alleviate recruitment problems with wildland firefighters. (SCFC Accountability Report, Section I, #3 & #4, Section III, Graphs 7.4-1 – 7.4-2).

[illegible]

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 2	Title: FIREFIGHTER STAFFING		2,250,000	0	0	2,250,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (<i>if applicable</i>): #2 Protect the Resource #5 Prepare to Meet Future Demands Activity Name & Number: 1192 Wildland Fire Fighting, Dispatch & Equipment 1193 Wildland Fire Prevention										
Priority No.:	Title:	0	0	0	0	0	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (<i>if applicable</i>):										
TOTAL OF ALL PRIORITIES		\$ 0	\$4,650,000	\$ 0	\$ 0	4,650,000	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:

State \$17,527,933

Federal\$ 5,804,161

Other \$ 6,243,500

- F. Efficiency Measures: Budget reductions, with the resulting loss in personnel and experience, have had a negative impact on the efficiency and effectiveness of the Forestry Commission (SCFC Accountability Report Section I, 4; Section II, #'s 1; Section III, Graphs 7.3-1 & 7.3-2). In response to continuing budget declines and increasing vacancies, the agency has realigned the workforce with a stronger emphasis on the core mission of protection of the forest resource. Average response time to wildfires and fire size increased over the five and ten year averages respectively. (SCFC Accountability Report Section III, Category 7, Graphs 7.1-3 & 7.1-4).

Greater efficiency, effectiveness and customer service continued to be achieved in our dispatch centers during the past year as a result of redirecting approximately 350,000 non-smoke management notifications per year from our dispatch centers to the automated notification system. Although the SCFC averages receiving approximately 400,000 1-800 calls per year, average costs per 10,000 1-800 calls handled have declined over the past few years. (SCFC Accountability Report Section III, 6.1, Forest Protection and Graphs 7.5-1 & 7.5-2).

Customer surveys indicate 90% approval rating of nursery products and services. (SCFC Accountability Report Section III, 6.1 and Graphs 7.2-1–7.2-3).

SCFC use of the Visa card program resulted in a significant decline and stabilization in the number in of voucher transactions processed over the past several years, ultimately reducing the need for one FTE (SCFC Accountability Report Section III, Graph 7.3-3).

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:	Project Name:	Project No*:	0	0	0	\$ 0
Priority No.:	Project Name:	Project No*:	0	0	0	\$ 0
Priority No.:	Project Name:	Project No*:	0	0	0	\$ 0
Total of All Capital Budget Priorities:			\$ 0	\$ 0	\$ 0	\$ 0

* If applicable

H. Number of Proviso Changes: Two

I. Signature/Agency Contacts/Telephone Numbers:

_____/Larry Moody & Bill Boykin/ (803) 896-8800
Bob Schowalter, State Forester

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: Section 21 – P12 – FORESTRY COMMISSION

B. Priority No. 1 of 2

C. (1) Title: Mission Critical Function - Wildland Firefighting Equipment

(2) Summary Description: Beginning in Fiscal Year 2001 through 2005 SCFC incurred \$8.3 million in base budget and mid year budget reductions. These cuts, with the associated loss of personnel, severely impacted the agency's wildland firefighting ability and the delivery of services to the forest landowners and rural residents of South Carolina. Equipment replacement and maintenance (both forest fire and fire dispatch technology), aerial reconnaissance of wildfires, assistance to family forest owners, training and administrative programs were reduced to avoid further reductions in force.

One area significantly affected, was the agency's equipment replacement budget. In 1996 the Legislature appropriated recurring funds to establish a 15 year replacement cycle for wildland firefighting equipment. Considering inflationary factors since 1996, the funds needed to reestablish this 15 year cycle are now \$3,900,000. The agency currently has an equipment replacement budget of \$1,500,000. This amount puts the agency on a firefighting equipment replacement cycle of approximately 25 - 30 years. Aging, unreliable equipment severely jeopardizes the safety of Forestry Commission firefighters as well as increases the risk of loss to the forest landowners of South Carolina.

To ensure delivery of services to protect the forestlands of South Carolina and to provide for the safety of agency firefighters, the Forestry Commission requests \$2.4 million in recurring funding. This will allow the agency to reinstate an essential replacement/maintenance schedule for firefighting related equipment.

(3) Strategic Goal/Action Plan (*if applicable*): Two strategic goals of the Forestry Commission relating to this priority are: #1, ensure prompt and effective response to wildfires and other natural disasters; and #2. Evaluate wildfire protection strategies, priorities and capabilities as urban development into forested areas creates additional hazards.

D. Budget Program Name and Number: II Forest Landowners Assistance, 05010000.

E. Agency Activity Supported by Budget Priority

1192 Wildland Firefighting (Wildfire Suppression (Firefighting, Dispatch and Equipment)), 1193 Wildland Prevention

F. Detailed Justification for Funding

- (1) Justification for Funding Increase: (a.) Protecting South Carolina's natural resources is a primary mission of the Forestry Commission. This responsibility extends to protecting homes and businesses in or adjacent to forested areas from wildfires. Ensuring that citizens are confident in the safety of their surroundings is a priority. The threat to life and property from wildland fires is increasing as residential and business development expand into rural areas.

Operational support systems to include equipment, have not been funded at a level that allows us to maintain adequate protection services for even an average fire season. Additional funding is needed for tractor plow units, fabrication costs, Automatic Vehicle Locator (AVL) capability and pickup trucks with water handling capability. South Carolina is currently the only southeastern state not using safer environmental cabs on its firefighting units. Increased costs of equipment replacement, maintenance and repairs directly affect our ability to adequately fulfill our mission to protect South Carolina's natural resources and our communities.

We currently measure the efficiency of our fire response times and average fire sizes as reported in our Annual Accountability Report Section III, Graphs 7.1-3 and 7.1-4.

- (b.) Funding is needed to adequately replace and maintain protection equipment dedicated to fire detection, suppression and prevention has become inadequate.
- (c.) This funding is needed to restore effectiveness of our fire protection, suppression and prevention programs. It is needed to close the gap in wildland firefighting capacity created by the loss of forest industry resources and complements structural firefighters who are not equipped or trained to fight wildland fires.
- (d) Protection services have always been a high priority in South Carolina. Wildland firefighting capacity has been reduced further with the loss of cooperative support from forest industry due largely to the sale of forest industry lands. Unfortunately budget allocations have not kept up with increasing costs and increasing property values. For example, forest resources and adjacent properties increase in overall market value each year. The Forestry Commission provides protection services against losses from fire and theft/fraud, not unlike an insurance policy. Properties increase in value each year but the level of protection has decreased.
- (e) According to Statue 48-33-40 "all forest fire protection work shall be under the direction and supervision of the State Commission of Forestry."
- (f) Because of past budget reductions, the equipment replacement budget is only funded at 40% of the needed level for protection of firefighters and forestland.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		0			0.00
(b) Salary					
(c) Fringe Benefits					
Program/Case Services		0			0
Pass-Through Funds		0			0
Other Operating Expenses		\$2,400,000			\$2,400,000
Total	\$ 0	\$2,400,000	\$ 0	\$ 0	\$2,400,000
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$17,527,933
Federal	\$ 5,807,161
Other	\$ 6,243,500

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs - N/A

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State 348.26
Federal 29.54
Other 32.50

Agency-wide Vacant FTEs as of July 31, 2007: 49
% Vacant 12%

H. Other Comments:

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: Section 21 – P12 – FORESTRY COMMISSION

B. Priority No. 2 of 2

C. (1) Title: Firefighter Staffing

(2) Summary Description: Throughout its history, the Forestry Commission has relied on firefighters who are self employed and operate on an on call basis. Many are farmers or own small businesses that depend on a rural economy. These individuals respond to fires from their homes or places of business. Until recently this work/response arrangement benefited both the employee and the agency and kept salaries low. However, factors including the decline of the rural economy, demographic changes and shifting work force demands have significantly reduced the number of qualified people for whom this arrangement is practical. In some areas of the state it has become almost impossible to hire and retain qualified personnel under this arrangement. To maintain an adequate firefighting force, the agency must undertake steps to transition to a better paid firefighter workforce with firefighters reporting to an agency facility each day.

(3) Strategic Goal/Action Plan (*if applicable*): Three strategic goals of the Forestry Commission relating to priority 2 are: #1. Evaluate fire protection strategies and priorities, especially as urban development into forested areas creates additional hazards; #2. Strive to maintain a capable, satisfied, and diverse work team; and #3. Review staffing levels and organizational structure to ensure the agency is in a position to meet current demands.

D. Budget Program Name and Number: II Forest Landowners Assistance, 05010000.

E. Agency Activity Supported by Budget Priority

1192 Wildland Firefighting (Wildfire Suppression (Firefighting, Dispatch and Equipment)), 1193 Wildland Prevention

F. Detailed Justification for Funding

(2) Justification for Funding Increase: (a.) Protecting South Carolina's natural resources is a primary mission of the Forestry Commission. This responsibility extends to protecting homes and businesses occurring in or adjacent to forested areas from wildfires. The threat of wildland fires to homes and businesses is increasing as more communities expand into or are developed in our rural areas; ensuring that citizens are confident in the safety of their surroundings is a priority.

The Forestry Commission believes it is necessary during budget year '08 – '09 to begin the transition to a firefighter staffing system and pay scale similar to those used by other southern states. Firefighters in neighboring states report for work each day and work a regular schedule, carrying out fire suppression, fire prevention, and other forestry duties. The SCFC proposes to transition to such a system through attrition with new hires, as well as with current employees who choose to join the new system. Implementation will occur over a 10 year period as firefighters are hired and transitioned to the new work schedule and as facilities are adapted for their use on a daily basis. An improved pay scale with a more uniform work schedule will improve the agency's ability to hire and retain qualified firefighters.

Program measures will include employee and firefighter turnover rates and physical fitness standards, as well as fire response times as reported in our Annual Accountability Report Section III, Graphs 7.4-1, 7.4-2, and 7.1-3.

(b.) Base funding will be required to increase salaries to a more competitive level for new hires, as well as for current employees desiring to shift from the existing on call arrangement. Funding also would be utilized to modify and adapt existing facilities to handle increased personnel and equipment.

(c.) This funding is needed to maintain the effectiveness of our fire protection, suppression and prevention programs at a minimally acceptable level; it complements local fire service efforts, especially in wildland urban interface areas.

(d.) Wildland fire suppression is the highest mission priority of the South Carolina Forestry Commission. The task of hiring and retaining qualified firefighters is becoming increasingly difficult.

(e.) The Forestry Commission has received approval for a federal fire protection grant through the USDA Forest Service. This is a 50/50 matching grant and provides funds for conducting initial risk assessments and developing forest fuels management schemes for wildland-urban interface zones. State funded firefighter salaries are used for matching purposes for this grant.

(f.) Considering the loss of firefighting resources from industry cooperators, South Carolina is approximately sixty firefighters below its traditional wildland firefighting capacity. Funding reductions have exacerbated this situation and the problem is compounded in that replacements for critical vacancies are difficult to find under our current operating and salary structure. Increased compensation and a more structured work schedule and environment are essential to the future of wildland fire suppression in South Carolina. Current budget resources are inadequate and carry forward or other fund balances are not appropriate for funding permanent FTE's – recurring funds are needed for this purpose.

(2) Actual funding request level will be determined by Office of Human Resources salary study to be complete by December 31, 2007. Estimated level is between \$1,500,000 and \$3,000,000 of salary and fringe benefits funds.

FY 2006-07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		0			0.00
(b) Salary		\$1,670,000			\$1,670,000
(c) Fringe Benefits		\$580,000			\$580,000
Program/Case Services		0			0
Pass-Through Funds		0			0
Other Operating Expenses		\$			\$
Total	\$ 0	\$2,250,000	\$ 0	\$ 0	\$2,250,000
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$17,527,933
Federal	\$ 5,804,161
Other	\$ 6,243,500

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs - N/A

(1) Justification for New FTEs

(c) Justification:

(d) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State	<u>348.26</u>
Federal	<u>29.54</u>
Other	<u>32.50</u>

Agency-wide Vacant FTEs as of July 31, 2007: 49
12% Vacant

H. Other Comments:

